

Decision 01-10-025 October 10, 2001

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Investigation on the Commission's own Motion  
into the Operations, Practices, Rates and Charges  
of the Hillview Water Company, Inc., a  
corporation, and Roger L. Forrester, the principal  
shareholder and president,

Investigation 97-07-018  
(Filed July 16, 1997)

Respondents.

**INTERIM OPINION ON SETTLEMENT  
REGARDING REQUEST TO INCREASE RATES AND  
IMPOSITION OF MORATORIUM ON NEW SERVICE CONNECTIONS**

David Ebershoff, Attorney at Law, for Hillview Water  
Company, Inc., and Roger Forrester, respondents.  
Peter Fairchild, Attorney at Law, and Daniel Paige, for  
the Water Branch of the Office of Ratepayer Advocates.  
Carl L. Carlucci, for the California Department of Health Services.

**Summary**

The joint motion for Adoption of Settlement filed April 17, 2001, by Hillview Water Company, Inc., (Hillview) and the Commission's Office of Ratepayer Advocates (ORA) is granted. The moving parties' written Settlement is adopted as the Commission's interim Order. No rate increase will result from granting this Motion. Under the terms of the Settlement a moratorium is imposed on new service connections, which shall remain in effect until rescinded by the Commission.

## **Background**

Hillview is a Class C Water Utility (i.e., one having fewer than 2000 customers) that serves portions of Oakhurst and its environs. The company currently serves 1,312 customers who consume, on average, 221 hundred cubic feet of water per year.

Hillview received authority for its most recent general rate increase in 1994. Its present rates have been in effect since May 6, 1995, when the Commission authorized an increase based upon the Consumer Price Index. The company has requested authority to increase its revenue by \$101,328, or 13%, to produce a return on ratebase of 13%.<sup>1</sup> Hillview claims this increase is needed in order to provide adequate revenues to maintain service and allow a fair rate of return on investment.

After analyzing Hillview's most recently revised request, ORA recommended a return on equity of 12.75%, which would provide a return on Hillview's ratebase of 10.67%. ORA believed that with this rate of return Hillview would generate 14.10% more revenue than needed, and accordingly recommended that its rates be reduced by this amount. The reason for the striking difference in the parties' positions is explained below.

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<sup>1</sup> Hillview first submitted this request informally for Test Year (TY) 1999 in a form referred to as a "draft advice letter" by the Water Division. Following the negotiation of an unrelated settlement proposal that is still under consideration by the Commission, Hillview submitted a revised draft advice letter on January 28, 2000, to update its request to TY 2000. Hillview is required to request this increase under the umbrella of this enforcement proceeding by Ordering Paragraph 7 of our Order Instituting Investigation: Paragraph 7 specifies that any proposals to increase rates or charges submitted on behalf of Hillview must be consolidated with this proceeding. Consistent with this requirement, in our order we are formally consolidating the present request for rate relief with I.97-07-018.

## **Procedural History**

Hillview initially filed its request for this rate increase on October 20, 1998. On January 28, 2000, Hillview revised its request. Hillview has since filed Advice Letters 60, 61, 63, and 65 requesting various increases in rates. This decision addresses all of these requests together.

The assigned administrative law judge (ALJ) held a public participation hearing (PPH) on Hillview's proposal in Oakhurst on March 14, 2001. Approximately 50 people attended, 22 of whom offered comments for the record. Most of the speakers expressed concerns about water quality and supply. Although these issues do not pertain directly to approval of the rate increase under the current settlement proposal, we have taken the comments into account in determining whether the negotiated resolution of the rate issues is in the public interest. A few speakers specifically opposed the rate increase.

On March 20, 2001, the ALJ held a formal evidentiary hearing (EH) in San Francisco on the proposed rate increase. The assigned Commissioner attended this EH. At the outset of the hearing the parties reported that they had negotiated a settlement which would reconcile their differences on the disputed issues. Their agreement had not been reduced to written form at that time, and the ALJ consequently continued the hearing at their request so they could do so, and so they could file a written motion proposing adoption of the settlement.<sup>2</sup> On May 11, he held a continued EH on issues that in his judgment required elaboration or verification. One exhibit was received at this EH.

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<sup>2</sup> Five exhibits were also received by stipulation at this EH.

On April 17, 2001, Hillview and ORA filed the written Settlement and a joint motion asking us to adopt it as our order. In addition to addressing Hillview's request for a rate increase, the Settlement also provides that the Commission will institute a moratorium on new connections until the California Department of Health Services (DHS) determines that Hillview has an adequate water supply. This provision was included to address the presence of uranium in certain of Hillview's wells at a level that exceeds DHS' standards, a problem that presently can only be remedied by diluting the water from those wells with water with lower uranium content from other wells. This has put an additional strain on Hillview's total supply, which is already marginal.<sup>3</sup>

Because Section 2708 of the Public Utilities Code appears to require a hearing before we may order a moratorium on new connections, the ALJ held a hearing in Oakhurst on September 24, 2001, to consider evidence and public comment on this issue. Hillview, ORA, and DHS, which has been granted limited intervenor status, all presented evidence in support of the moratorium. Eight members of the public offered comments during the public participation portion of the hearing, none in opposition to the moratorium.

#### **Proposed Resolution of the Rate Increase Request Under the Settlement**

Under the terms of the Settlement, Hillview's current rates will not change because they will produce revenue at a level sufficient to satisfy Hillview's stipulated revenue requirement. In effect the outcome is a "wash": it merely revises a number of individual items to address ORA's objections or incorporate information Hillview furnished in response to ORA's criticisms, without

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<sup>3</sup> The entire Settlement, including its appendices, is attached to our decision.

producing any change in rates. The parties have included a comparison exhibit (Appendix A to the Settlement) with their motion to explain these differences.

## **Discussion**

Substantial evidence supports both adoption of the new rate structure and imposition of the moratorium. A discussion of the principal issues follows.

### **A. Rate of Return**

In its final revised request Hillview asked for a rate of return of 13.02% on a ratebase of \$1,383,462. ORA's analysis indicated that Hillview's ratebase is \$962,425, and that its rate of return is already 19.99%. At the requested rates, ORA estimated Hillview's rate of return would be 23.78%.

The resolution proposed in the Settlement is to allow a rate of return of 11.39% on a ratebase of \$1,180,864. The explanation offered by ORA for agreeing to such a large increase in the ratebase above its original estimate is that in its computation it had inadvertently made a double entry of approximately \$141,000 to both plant and contributions, resulting in duplication of the reduction in plant and ratebase. This sum reflects refunds that have not yet been made, and should not have been posted to plant. By increasing the ratebase, the percentage return is effectively lowered to a level that is acceptable to ORA.

The rate of return, 11.39%, is based upon Hillview's capital structure of 41% long term debt with an average interest rate of 9.45%, and 59% equity on which ORA agrees to a 12.75% of return. ORA's selection of this rate of return on equity is based upon the year 2000 edition of an annual memorandum concerning the Water Division's recommended rates of return for Class C and

Class D water companies.<sup>4</sup> That memo recommends a range of return on equity from 12.25% to 13.25% for Class C companies. ORA selected the midpoint value, 12.75%, as the appropriate percentage because Hillview's performance of water service was "average" at the time of the request.

### **B. Office Salaries**

The Settlement increased office salaries from ORA's original proposal of \$53,217 to \$76,877, because the original figure was incorrectly based upon the existence of one rather than two part-time employees as part of the office staff.

### **C. Managerial Salaries**

The Settlement increases ORA's proposed amount for managerial salaries from \$35,735 to \$46,375, the amount requested by Hillview. The salary figure is for one manager, Roger Forrester. As reported in the Settlement, the revised salary figure is based upon more detailed information Hillview furnished to ORA about his activities.

### **D. Professional Services**

The stipulated figure proposed for professional services, \$20,000, is an increase from ORA's original proposal of \$11,844, although it is well under the \$41,000 figure originally proposed by Hillview. The increase is due to Hillview's demonstration of a higher audit expense than originally estimated by ORA.

### **E. Moratorium**

Public Utilities Code Section 2708 allows us to impose a moratorium on new or additional customers of a regulated water company when we find, after a hearing, that the company has reached the limit of its capacity to supply water,

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<sup>4</sup> See Exhibit 20.

and that no further consumers of water can be supplied from the system without injuriously withdrawing the supply, wholly or partially, from existing customers. The overwhelming weight of evidence and public comments received at the September 24 hearing demonstrate that at the present time Hillview's water supply is already constrained, and that whatever available supply meets DHS standards is needed for dilution of the supply from the well with high uranium content. At present there is no adequate substitute source of supply for that well, and we must make the findings required by Section 2708.

Imposing this moratorium is a temporary solution to Hillview's current supply problem. A more permanent solution is needed, and we anticipate that a major component of that solution will be the addition of a treatment facility that will more effectively remove the uranium from Hillview's present supply. Funding for the construction of that project has been delayed by other aspects of this investigation. However, we expect to expedite the resolution of this cause of delay from this point forward. At such time as adequate supply meeting DHS requirements becomes available, Hillview may file an advice letter to that effect, and we will modify our order to vacate the moratorium.

## **Conclusion**

We find that the Settlement is reasonable in light of the whole record, consistent with law, and in the public interest. Significantly, although the Settlement adjusts the authorized return on ratebase and certain individual items, it will not result in an increase in rates. The parties' negotiated resolution therefore will have no impact on the company's customers. Our decision today merely perpetuates rates that have been in effect for many years, and Hillview has effectively abandoned its effort to increase those rates after negotiating with

ORA. This decision will maintain the status quo while our investigation is pending, affording some stability until other important issues are resolved.

The moratorium imposed under the terms of the Settlement is an undesirable but necessary measure to address an acute water quality and supply problem. We will endeavor to insure that it is of the shortest possible duration.

We will grant the parties' joint motion and adopt the Settlement.

The proposed decision of the ALJ in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(d) and Rule 77.1 of the Rules of Practice and Procedure. No comments were filed in response thereto.

### **Findings of Fact**

1. Hillview's water rates will not increase if we adopt the Settlement.
2. The parties' resolution of the disputed amount of Hillview's ratebase is reasonable, because the actual differences in the parties' positions were principally the result of an accounting error.
3. The parties' resolution of the disputed rate of return is reasonable, as the stipulated rate of return is within the range authorized for other Class C water companies that are similarly situated.
4. The parties' settlement of other disputed items is reasonable, as the stipulated resolution of each item is rationally based upon ORA's analysis or new information exchanged by the parties.
5. During the summer months Hillview's water supply exceeds DHS' primary drinking water standard for uranium when its Sierra Lakes Well No. 4 is online.
6. Without the supply from Sierra Lakes Well No. 4, Hillview would have inadequate reliable supply to meet the needs of its existing customers.



7. There is presently no substitute available source to replace the supply from Sierra Lakes Well No. 4.

8. By reason of the aforementioned facts Hillview has effectively reached the limit of its capacity to supply water.

9. No further consumers of water can be supplied from Hillview's existing system without injuriously withdrawing the supply wholly or in part from customers who have heretofore been supplied by Hillview.

### **Conclusions of Law**

1. The Settlement is reasonable in light of the whole record.
2. The Settlement is consistent with law.
3. The Settlement is in the public interest.
4. A moratorium should be imposed on new connections, as provided in the Settlement.
5. The parties' joint motion requesting the Commission to adopt the Settlement should be granted.
6. Advice Letter 61 relating to Hillview's late payment charge, returned check charge, and reconnection charge is authorized by Resolution W-4035 and should be approved.
7. Advice Letters 60, 63, and 65 are superseded by Paragraph 41 of the Settlement and should be denied.

### **INTERIM ORDER**

1. The request of respondent Hillview Water Company, Inc. (Hillview) to increase its water rates, as embodied in its informal requests filed on October 20, 1998, and January 28, 2000, as well as Advice Letters 60, 61, 63 and 65, are consolidated with Investigation 97-07-018.

2. The Motion for Adoption of Settlement jointly filed by Hillview and the Commission's Office of Ratepayer Advocates (ORA) on April 17, 2001, is granted.

3. The written Settlement by and between Hillview and ORA, dated April 16, 2001, and attached as Attachment 1 to this order, including all appendices to that Settlement, is adopted as the Commission's interim Order.

4. Advice Letter 61 filed by Hillview is approved.

5. Advice Letters 60, 63 and 65 filed by Hillview are denied.

6. The revised Schedule No. 1 of Hillview Water Company's tariff for Metered Service, attached as Attachment 2 to this order, shall be filed by Hillview immediately. This revised tariff shall be effective immediately, and shall bar connection of new service to any customer who did not have an application on file with Hillview as of April 16, 2001, the date of the Settlement adopted herein. This paragraph shall not be construed to require cessation of any new service which was actually connected on or after April 16, 2001.

7. Hillview shall file an Advice Letter with the Commission to rescind the moratorium established under the preceding paragraph at such time as it obtains an adequate supply that meets all primary drinking water standards, as certified by the California Department of Health Services.

This order is effective today.

Dated October 10, 2001, at San Francisco, California.

LORETTA M. LYNCH  
President  
HENRY M. DUQUE  
RICHARD A. BILAS  
CARL W. WOOD  
GEOFFREY F. BROWN  
Commissioners

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**ATTACHMENT 1**

Investigation on the Commission's own Motion into the Operations, Practices, Rates, and Charges of the Hillview Water Company, Inc., a Corporation, and Roger L. Forrester, the Principal Shareholder and President.

Investigation 97-07-018

**II. SETTLEMENT**

1. The parties to this Settlement ("Parties") are the Water Branch of the Office of Ratepayer Advocates ("ORA") and Hillview Water Company, Inc. ("HWC").
2. The Parties agree that no signatory hereto nor any member of the staff of the Public Utilities Commission assumes any personal liability as a result of the Settlement. The Parties agree that no legal action may be brought in any state or federal court, or in any other forum, against any individual signatory representing the interests of either Party, ORA, or its attorneys, or the ORA itself regarding the Settlement. All rights and remedies are limited to those available before the California Public Utilities Commission ("Commission").
3. The Parties acknowledge that ORA is charged with representing the interests of customers of public utilities in the State of California, as required by Public Utilities Code Section 309.5, and nothing in the Settlement is intended to limit the ability of ORA to carry out that responsibility.

4. The Parties agree to support this Settlement inasmuch as their negotiations have resulted in the resolution of all issues raised in ORA's report, dated January 24, 2001, as it relates to the results of operation and the design of rates.

5. By this Settlement, the Parties agree that HWC's present rates are just and reasonable and should not now be changed since they would produce revenue equivalent to that required by the effect of the underlying stipulations.

6. Highlighted in the paragraphs that follow are various estimates used to derive the stipulated figures and other matters on which the Parties agree. Attached hereto as Appendix A is a Summary of Earnings and attached as Appendix B are the Recommended Quantities.

7. Consumption and Revenue The Parties agree to accept updated data showing 1,312 customers with a consumption of 221 hundred cubic feet per customer per year.

8. Purchased Water The Parties agree that HWC does not purchase water.

9. Purchased Power The Parties agree to use the latest information showing Purchased Power of \$104,256 per year.

10. Other Expenses Related to Volume Based on recent invoices, the Parties agree that an estimate of \$13,358 for Chemicals is reasonable.

11. Labor The Parties agree to an estimate of \$86,050 for Labor for the reasons given in HWC's report.

12. Materials The Parties agree to an estimate of \$15,000 for Materials for the reasons given in HWC's report.

13. Contractual Work The Parties agree to an estimate of \$14,587 for Contractual Work for the reasons given in HWC's report.

14. Testing The Parties agree to an estimate of \$17,853 for Testing for the reasons given in ORA's report.

15. Transportation The Parties agree to an estimate of \$25,298 for Transportation for the reasons given in ORA's report.

16. Maintenance The Parties agree to an estimate of \$5,835 for Maintenance for the reasons given in HWC's report.

17. Salaries-Office The Parties agree to an estimate of \$76,877 for Salaries-Office for one office manager and two part-time clerks, based on mean hourly rates for these positions reported by the Office of Employment Services, Fresno and Madera Counties.

18. Salaries-Management After review of the required duties and additional requirements imposed by the Department of Health Services, the Parties agree that an estimate of \$46,375 for Salaries-Management is reasonable.

19. Pensions and Benefits Based on a review of the Pensions and Benefits expense of each expense rather than the ratio of total payroll, the Parties agree to an estimate of \$30,544 for Pensions and Benefits.

20. Uncollectibles Parties agree to use the Commission's standard methodology to calculate Uncollectibles by taking two tenths of one percent of gross revenues.

21. Services and Rents The Parties agree to an estimate of \$2,740 for Services and Rents for the reasons given in HWC's report.

22. Supplies The Parties agree to an estimate of \$53,184 for Supplies for the reasons given in HWC's report.

23. Professional Services Based on clarification that outside auditing is required by HWC's lender, the Parties agree to an estimate of \$20,000 for Professional Services.

24. Insurance The Parties agree to an estimate of \$17,835 for Insurance for the reasons given in HWC's report.

25. Regulatory Expense The Parties agree that expenses incurred in the present investigation are nonrecurring. As a result, the estimate for Regulatory Expense is \$10,000 per year.

26. General Expenses The Parties agree to an estimate of \$467 for General Expenses for the reasons given in HWC's report.

27. Depreciation-Expense The Parties agree to continue to use the depreciation rate of 3.25% that was used and adopted in Resolution W-3833.

28. Ad Valorem Taxes The Parties agree that Ad Valorem Taxes should be based on HWC's estimates. In addition, HWC agrees to pursue a reassessment of its property based on ORA's belief that the rate charged HWC by Madera County is higher than that charged for similar properties in other counties. Any resulting reduction, compared to the amount now adopted by the Commission, should be credited to HWC's Balancing Account.

29. Taxes on Payroll The Parties agree that the estimate of Taxes on Payroll should be \$20,089, based on total payroll stipulated in this Settlement.

30. Taxes on Income The Parties agree that Taxes on Income should be based on the current rate of taxation.

31. Plant The Parties agree to an estimate of \$4,694,850 for Plant for the reasons given in ORA's report.

32. Accumulated Depreciation The Parties agree to an estimate of \$1,295,989 for Accumulated Depreciation for the reasons given in ORA's report.

33. Advances The Parties agree to an estimate of \$164,606 for Advances for the reasons given in HWC's report.

34. Contributions The Parties agree to an estimate of \$2,025,284 for Contributions because ORA incorrectly adjusted its estimates shown in its report by \$189,577.

35. Deferred Taxes The Parties agree to an estimate of \$83,917 for Deferred Taxes for the reasons given in HWC's report.

36. Deferred Investment Tax Credit The Parties agree to an estimate of \$24,341 for Deferred Investment Tax Credit for the reasons given in HWC's report.

37. Working Cash The Parties agree to use the Commission's standard methodology to calculate Working Cash by taking one month of expenses (excluding taxes), depreciation, and uncollectibles.



38. Materials and Supplies The Parties agree on an estimate of \$35,000 for the Materials and Supplies based on further review of HWC's records.

39. Rate of Return The Parties agree to 11.39% for Rate of Return, based on a Return on Equity of 12.75% and HWC's present amount and cost of debt.

40. Moratorium The Parties agree that the Commission should institute a moratorium on connections to HWC's Oakhurst-Sierra Lakes Service Area, except for any connection for which an application has now been made. When it obtains an adequate supply of water as determined by the Department of Health Services, HWC will file an Advice Letter with the Commission to rescind the moratorium.

41. Balancing Account The Parties agree that the Balancing Account, which totals an overcollection of \$75,568 after applying the recovery of fees requested by Advice Letters 60, 63 and 65, should not be amortized at this time in view of increasing rates for electricity. HWC agrees to reexamine the overcollection and to file an advice letter to adjust rates by August 30, 2002, if it totals more than 2% of the operating revenue, or sooner, if the account is undercollected by that amount.

42. Facilities Fees The Parties agree that, consistent with Decision 91-04-068, HWC should be authorized to file an advice letter to implement Facilities Fees at the levels shown in Appendix B to ORA's report.

43. Miscellaneous Charges The Parties agree that, consistent with Resolution W-4035, HWC's Advice Letter 61, regarding charges for late payments, returned checks, and reconnections of service, should be approved.



HILLVIEW WATER COMPANY

WATER BRANCH OF THE  
OFFICE OF RATEPAYER  
ADVOCATES

By /s/ Roger L. Forrester  
ROGER FORRESTER  
President  
P.O. Box 2269  
Oakhurst, CA 93644  
(559) 683-4322

Dated: April 16, 2001

By /s/ Daniel R. Paige  
DANIEL R. PAIGE  
Program Supervisor  
320 West 4<sup>th</sup> Street, Suite 500  
Los Angeles, CA 90013  
(213) 576-7048

Dated: April 16, 2001

## APPENDIX A

Page 1 of 2

## Hillview Water Company

## SUMMARY OF EARNINGS

	<u>HWC's Analysis at</u>		<u>ORA's Analysis at</u>		<u>Settlement</u>
	<u>Present</u>	<u>Requested</u>	<u>Present</u>	<u>Requested</u>	
	<u>Rates</u>	<u>Rates</u>	<u>Rates</u>	<u>Rates</u>	<u>Rates</u>
OPERATING REVENUES					
Metered	\$755,834	\$855,074	\$755,834	\$855,074	\$754,945
Flat Rate	0	0	0	0	0
Private Fire Protection	15,905	17,993	15,905	17,993	15,905
Other	2,100	2,100	2,100	2,100	2,100
TOTAL REVENUE	773,839	875,167	773,839	875,167	772,950
OPERATING EXPENSES					
Purchased Power	96,586	96,586	104,256	104,256	104,256
Other Expenses Related to Volume	13,358	13,358	10,155	10,155	13,358
Labor	86,050	86,050	86,050	86,050	86,050
Materials	15,000	15,000	15,000	15,000	15,000
Contractual Work-Others	14,587	14,587	14,587	14,587	14,587
Testing Fees	18,450	18,450	17,853	17,853	17,853
Transportation	27,463	27,463	25,298	25,298	25,298
Other Maintenance	5,835	5,835	5,835	5,835	5,835
Salaries-Office	79,375	79,375	53,217	53,217	76,877
Salaries-Management	46,375	46,375	35,735	35,735	46,375
Pensions & Benefits	30,544	30,544	26,082	26,082	30,544
Uncollectibles	1,543	1,543	1,548	1,750	1,546
Services & Rents	2,740	2,740	2,740	2,740	2,740
Supplies & Rents	53,184	53,184	53,184	53,184	53,184
Professional Services	41,000	41,000	11,844	11,844	20,000
Insurance	17,835	17,835	17,835	17,835	17,835
Regulatory Expense	27,613	27,613	5,583	5,583	10,000
General Expense	467	467	467	467	467
Subtotal	578,005	578,005	487,269	487,472	541,805

(Continued)

Appendix A  
Page 2 of 2

Hillview Water Company

Summary of Earnings

	<b>(a) HWC's Analysis at</b>		<b><u>ORA's Analysis at</u></b>		<b><u>Settlement Rates</u></b>
	<b><u>Present Rates</u></b>	<b><u>Requested Rates</u></b>	<b><u>Present Rates</u></b>	<b><u>Requested Rates</u></b>	
Depreciation-Expense	61,112	61,112	54,232	54,232	54,232
Ad Valorem Taxes	18,675	18,675	10,057	10,057	18,675
Taxes on Payroll	20,462	20,452	12,309	12,309	20,089
Taxes on Income	800	16,856	17,564	82,234	3,674
TOTAL DEDUCTIONS	679,054	695,100	583,240	646,452	638,475
NET REVENUE	94,785	180,067	192,407	228,863	134,475
Average Plant	4,771,440	4,771,440	4,694,850	4,694,850	4,694,850
Average Accum. Depreciation	1,386,575	1,386,575	1,295,989	1,295,989	1,295,989
Net Plant	3,384,865	3,384,865	3,398,861	3,398,861	3,398,861
Less: Advances	164,607	164,607	164,606	164,606	164,606
Contributions	1,828,205	1,828,205	2,214,861	2,214,861	2,025,284
Deferred Taxes	83,917	83,917	83,917	83,917	83,917
Deferred ITC	24,341	24,341	24,341	24,341	24,341
Plus: Working Cash	48,167	48,167	40,588	40,588	45,150
Materials & Supplies	51,500	51,500	10,700	10,700	35,000
Ratebase	1,383,462	1,383,462	962,425	962,425	1,180,864
Rate of Return	6.85%	13.02%	19.99%	23.78%	11.39%

(End of Appendix A)

APPENDIX B

Hillview Water Company

RECOMMENDED QUANTITIES

Expenses

1. Purchased Power:

Pacific Gas and Electric Company

Tariff

A-1, A-6, A-10, and E-19

kWhr Used

1,039,037 per year

Total Charge

\$104,256 per year

Average Cost per kWhr.

\$0.1003

3. Ad Valorem Taxes

Rate

1.06%

Total Charge

\$18,675 per year

4. Connections

Metered Customers:

5/8 x 3/4 inch meter

0

3/4 inch meter

1,186.5

1 inch meter

52

1 1/2 inch meter

34

2 inch meter

35.5

3 inch meter

3

6 inch meter

1

Total:

1,312

Fire Service:

6-inch connection

13

Private Hydrants:

6-inch connection

81

Metered Consumption

289,952 Ccf per year

(End of Appendix-B)

**ATTACHMENT 2**

Hillview Water Company

Schedule No. 1

METERED SERVICE

APPLICABILITY

Applicable to all metered service.

MORATORIUM

No service shall be provided to any premises not previously served within the Oakhurst--Sierra Lakes Service Area as defined on the Service Area Map filed as a part of these tariffs.

(N)

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(N)

TERRITORY

Coarsegold Highlands, Raymond and subdivisions in and near Oakhurst, Madera County.

RATES

Quantity Rate:

All water used per 100 cubic feet.....\$1.29

Service Charge: Per Meter  
Per Month

For ¾ inch meter .....	\$19.41
For 1 inch meter .....	32.35
For 1-1/2 inch meter .....	64.70
For 2 inch meter .....	103.52
For 3 inch meter .....	194.10
For 4 inch meter .....	323.51
For 6 inch meter .....	647.01

(D)

The Service Charge is a readiness to serve charge, which is applicable to all metered service, and to which is added the charge for water used computed at the Quantity Rate.

**END OF ATTACHMENT 2**